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# HOUSE BILL No. 1096

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1.

**Synopsis:** Mortgage deduction application. Provides that a sales disclosure form properly filed by the purchaser of a residence constitutes an application for the mortgage deduction.

**Effective:** Upon passage; January 1, 2009 (retroactive).

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January 8, 2009, read first time and referred to Committee on Government and Regulatory Reform.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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**HOUSE BILL No. 1096**



A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-5.5-5, AS AMENDED BY P.L.144-2008,
- 2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 UPON PASSAGE]: Sec. 5. (a) The department of local government
- 4 finance shall prescribe a sales disclosure form for use under this
- 5 chapter. The form prescribed by the department of local government
- 6 finance must include at least the following information:
- 7 (1) The key number (as defined in IC 6-1.1-1-8.5) of each parcel.
- 8 (2) With respect to each parcel, whether the entire parcel is being
- 9 conveyed.
- 10 (3) The address of each improved parcel.
- 11 (4) The date of the execution of the form.
- 12 (5) The date the property was transferred.
- 13 (6) Whether the transfer includes an interest in land or
- 14 improvements, or both.
- 15 (7) Whether the transfer includes personal property.
- 16 (8) An estimate of the value of any personal property included in
- 17 the transfer.



- 1 (9) The name, address, and telephone number of:
- 2 (A) each transferor and transferee; and
- 3 (B) the person that prepared the form.
- 4 (10) The mailing address to which the property tax bills or other
- 5 official correspondence should be sent.
- 6 (11) The ownership interest transferred.
- 7 (12) The classification of the property (as residential, commercial,
- 8 industrial, agricultural, vacant land, or other).
- 9 (13) Subject to subsection (c), the total price actually paid or
- 10 required to be paid in exchange for the conveyance, whether in
- 11 terms of money, property, a service, an agreement, or other
- 12 consideration, but excluding tax payments and payments for legal
- 13 and other services that are incidental to the conveyance.
- 14 (14) The terms of seller provided financing, such as interest rate,
- 15 points, type of loan, amount of loan, and amortization period, and
- 16 whether the borrower is personally liable for repayment of the
- 17 loan.
- 18 (15) Any family or business relationship existing between the
- 19 transferor and the transferee.
- 20 (16) A legal description of each parcel subject to the conveyance.
- 21 (17) Whether the transferee is using the form to claim ~~the~~
- 22 **following one (1) or more deductions under IC 6-1.1-12-44** for
- 23 property taxes first due and payable in a calendar year after 2008.
- 24 (A) ~~One (1) or more deductions under IC 6-1.1-12-44.~~
- 25 (B) ~~The homestead credit under IC 6-1.1-20.9-3.5.~~
- 26 (18) If the transferee uses the form to claim the ~~homestead credit~~
- 27 **mortgage deduction under IC 6-1.1-12-2 or the standard**
- 28 **deduction under IC 6-1.1-20.9-3.5; IC 6-1.1-12-37**, the name of
- 29 any other county and township in which the transferee of
- 30 residential real property owns or is buying residential real
- 31 property.
- 32 (19) Other information as required by the department of local
- 33 government finance to carry out this chapter.
- 34 If a form under this section includes the telephone number or the Social
- 35 Security number of a party, the telephone number or the Social Security
- 36 number is confidential.
- 37 (b) The instructions for completing the form described in subsection
- 38 (a) must include the information described in IC 6-1.1-12-43(c)(1).
- 39 (c) If the conveyance includes more than one (1) parcel as described
- 40 in section 3(h) of this chapter, the form:
- 41 (1) is not required to include the price referred to in subsection
- 42 (a)(13) for each of the parcels subject to the conveyance; and

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1 (2) may state a single combined price for all of those parcels.  
2 SECTION 2. IC 6-1.1-12-2, AS AMENDED BY P.L.144-2008,  
3 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JANUARY 1, 2009 (RETROACTIVE)]: Sec. 2. (a) Except as provided  
5 in ~~section~~ **sections 17.8 and 44** of this chapter and subject to section  
6 45 of this chapter, a person who desires to claim the deduction  
7 provided by section 1 of this chapter must file a statement in duplicate,  
8 on forms prescribed by the department of local government finance,  
9 with the auditor of the county in which the real property, mobile home  
10 not assessed as real property, or manufactured home not assessed as  
11 real property is located. With respect to real property, the statement  
12 must be filed during the year for which the person wishes to obtain the  
13 deduction. With respect to a mobile home that is not assessed as real  
14 property or a manufactured home that is not assessed as real property,  
15 the statement must be filed during the twelve (12) months before  
16 March 31 of each year for which the individual wishes to obtain the  
17 deduction. The statement may be filed in person or by mail. If mailed,  
18 the mailing must be postmarked on or before the last day for filing. In  
19 addition to the statement required by this subsection, a contract buyer  
20 who desires to claim the deduction must submit a copy of the recorded  
21 contract or recorded memorandum of the contract, which must contain  
22 a legal description sufficient to meet the requirements of IC 6-1.1-5,  
23 with the first statement that the buyer files under this section with  
24 respect to a particular parcel of real property. Upon receipt of the  
25 statement and the recorded contract or recorded memorandum of the  
26 contract, the county auditor shall assign a separate description and  
27 identification number to the parcel of real property being sold under the  
28 contract.  
29 (b) The statement referred to in subsection (a) must be verified  
30 under penalties for perjury, and the statement must contain the  
31 following information:  
32 (1) The balance of the person's mortgage or contract indebtedness  
33 on the assessment date of the year for which the deduction is  
34 claimed.  
35 (2) The assessed value of the real property, mobile home, or  
36 manufactured home.  
37 (3) The full name and complete residence address of the person  
38 and of the mortgagee or contract seller.  
39 (4) The name and residence of any assignee or bona fide owner or  
40 holder of the mortgage or contract, if known, and if not known,  
41 the person shall state that fact.  
42 (5) The record number and page where the mortgage, contract, or

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- 1 memorandum of the contract is recorded.
- 2 (6) A brief description of the real property, mobile home, or
- 3 manufactured home which is encumbered by the mortgage or sold
- 4 under the contract.
- 5 (7) If the person is not the sole legal or equitable owner of the real
- 6 property, mobile home, or manufactured home, the exact share of
- 7 the person's interest in it.
- 8 (8) The name of any other county in which the person has applied
- 9 for a deduction under this section and the amount of deduction
- 10 claimed in that application.

11 (c) The authority for signing a deduction application filed under this  
 12 section may not be delegated by the real property, mobile home, or  
 13 manufactured home owner or contract buyer to any person except upon  
 14 an executed power of attorney. The power of attorney may be contained  
 15 in the recorded mortgage, contract, or memorandum of the contract, or  
 16 in a separate instrument.

17 SECTION 3. IC 6-1.1-12-44, AS ADDED BY P.L.144-2008,  
 18 SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JANUARY 1, 2009 (RETROACTIVE)]: Sec. 44. (a) A sales disclosure  
 20 form under IC 6-1.1-5.5:

- 21 (1) that is submitted:
  - 22 (A) as a paper form; or
  - 23 (B) electronically;
- 24 on or before December 31 of a calendar year to the county
- 25 assessor by or on behalf of the purchaser of a homestead (as
- 26 defined in ~~IC 6-1.1-20-9-1~~ **section 37 of this chapter**) assessed
- 27 as real property;
- 28 (2) that is accurate and complete;
- 29 (3) that is approved by the county assessor as eligible for filing
- 30 with the county auditor; and
- 31 (4) that is filed:
  - 32 (A) as a paper form; or
  - 33 (B) electronically;
- 34 with the county auditor by or on behalf of the purchaser;
- 35 constitutes an application for the deductions provided by sections 1, 26,
- 36 29, 33, and 34 of this chapter with respect to property taxes first due
- 37 and payable in the calendar year that immediately succeeds the
- 38 calendar year referred to in subdivision (1).
- 39 (b) Except as provided in subsection (c), if:
  - 40 (1) the county auditor receives in a calendar year a sales
  - 41 disclosure form that meets the requirements of subsection (a); and
  - 42 (2) the homestead for which the sales disclosure form is submitted

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1 is otherwise eligible for a deduction referred to in subsection (a);  
2 the county auditor shall apply the deduction to the homestead for  
3 property taxes first due and payable in the calendar year for which the  
4 homestead qualifies under subsection (a) and in any later year in which  
5 the homestead remains eligible for the deduction.

6 (c) Subsection (b) does not apply if the county auditor, after  
7 receiving a sales disclosure form from or on behalf of a purchaser  
8 under subsection (a)(4), determines that the homestead is ineligible for  
9 the deduction.

10 SECTION 4. [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]  
11 **IC 6-1.1-12-2 and IC 6-1.1-12-44, both as amended by this act,**  
12 **apply only to:**

- 13 (1) **sales disclosure forms filed after 2008; and**
- 14 (2) **property taxes first due and payable after 2009.**

15 SECTION 5. **An emergency is declared for this act.**

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